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Message Text

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42
ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 EB-04 COME-00 LAB-01 SIL-01 TRSE-00 OMB-01

CIEP-01 CEA-01 NIC-01 /063 W
---------- 089685
R 231050Z OCT 74
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC 7273
INFO AMEMBASSY KABUL
AMCONSUL KARACHI
AMCONSUL LAHORE
AMEMBASY NEW DELHI

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E.O. 11652: N/A
TAGS: ELAB
SUBJ: PROMULGATION OF THE INDUSTRIAL RELATIONS ORDINANCE IN1974

SUMMARY: ON 13 OCTOBER THE PRESIDENT OF PAKISTAN PROMULGATED THE INDUSTRIAL RELATIONS ORDINANCE, 1974, AS AN AMEMDMENT TO THE 1969 ORDINANCE. THE NEWLY AMENDED BILL, WHICH DECLARES ILLEGAL STRIKES, GO-SLOWS, AND LOCKOUTS AS TRIABLE OFFENSES, IS BASICALLY ANTI-LABOR IN TENOR. END SUMMARY.

1. ON 13 OCTOBER, THE PRESIDENT OF PAKISTAN SIGNED INTO LAW THE INDUSTRIAL RELATIONS ORDINANCE, 1974 AS AN AMENDMENT TO THE INDUSTRIAL RELATIONS ORDINANCE OF 1969. THE MAJOR PROVISOS OF THE AMENDED ORDINANCE INCLUDE THE BANNING OF "ILLEGAL" STRIKES, LOCKOUTS AND GO-SLOWS. SUCH ACTIVITIES ARE NOW CLASSIFIED AS TRIABLE OFFENSES. THE ORDINANCE ALSO OUTLINES NEW PROCEDURES
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FOR DETERMINING COLLECTIVE BARGAINING UNITS FOR MAJOR

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AGENCIES (WAPDA, RAILWAYS, ETC.) AND LARGE INDUSTRIES.

2. ILLEGAL STRIKES, LOCKOUTS AND GO-SLOWS, FIRS DEFINED AS "PUNISHABLE" UNFAIR LABOR PRACTICES UNDER THE 1969 ORDINANCE, HAVE NOW BEEN CLASSIFIED AS TRIABLE OFFENSES UNDER THE JURISDICTION OF THE GOVERNMENT-CONTROLLED NATIONAL INDUSTRIAL RELATIONS COMMISSION (NIRC). THE COMMISSION HAS ALSO BEEN EMPOWERED TO DETERMINE WHICH OF THE MAJOR INDUSTRIES AND AGENCIES NEED BE REPRESENTED THROUGH ONE OR MORE COLLECTIVE BARGAINING UNITS. THE AMENDED ORDINANCE WOULD NOT ALTER PROCEDURES FOR SELECTION OF THE BARGAINING AGENT ITSELF(I.E., A SPECIFIC UNION CHOSEN AS THE AGENT BY MAJORITY VOTE, AS AOUTLINED BY SECTION 22 OF THE 1969 ACT) ALTHOUGH A PASSAGE IS DEVOTED TO THE CLARIFICAION OF ELECTION PROCEDURES.

3. COMMENT: THE EFFECT OF THE AMENDED ORDINANCE IS TO SHARPLY CURB THE POWER OF LABOR UNILATERALLY TO TAKE ACTION AGAINST THEIR EMPLOYERS. LABOR HAS BECOME MORE ASSERTIVE SINCE THE PEOPLES' PARTY HAS COME TO POWER. STRIKES AND SLOW-DOWNS, ESPECIALLY IN THE SIND, HAVE BEEN COMMONPLACE AND INDUSTRIALISTS CLAIM SUCH ACTIVITIES ARE INSTIGATED WITH LITTLE CAUSE; LABOR LEADERS HAVE OFTEN CHOSEN TO IGNORE SECTION 22 OF THE 1969 ORDINANCE AND DISPUTES AS TO WHICH UNION LEGITI-MATELY SHOULD REPRESENT THE WORKERS OF AN ESTABLISHMENT HAVE BEEN FREQUENT. AS A RESULT, THE INDUSTRIAL OUTPUT OF THE COUNTRY HAS SUFFERED. THE NEW ORDINANCE TENDS TO STRENGTHEN THE HAND OF THE GOVERNMENT IN DEALING WITH UNRULY ELEMENTS OF LABOR (IN EFFECT, THE ORDINANCE GIVES THE GOVERNMENT THE POWER TO DECLARE ILLEGAL, THROUGH THE NIRC, ANY STRIKE WHICH IT CONSIDERS UNJUSTIFIED) AND PROVIDES THE POPULACE WITH EVIDENCE THAT BHUTTO'S ADMINISTRATION IS WILLING TO TAKE STRONG ACTION IN ORDER TO SET PAKISTAN'S ECONOMIC HOUSE IN ORDER. THE TIMING OF THE ORDINANCE PROMULGATION MAY HAVE RESULTED, AT LEAST IN PART, FROM RECENT UNSUCCESSFUL ATTEMPTS BY FORMER LABOR MINISTER RANA MUHAMMAD HANIF TO PERSUADE VARIOUS GROUPS OF STRIKING KARACHI WORKERS TO RETURN TO THEIR JOBS. THE GENERAL NEGATIVE RESPONSE ON THE PART
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OF THE UNIONS TO THE MINISTER'S APPEALS MAY WELL HAVE STRENGTHENED THE POSITIONS OF PRO-BUSINESS ELEMENTS OF THE PPP WHO HAVE BEEN AGITATING FOR STRONG ANTI-LABOR LEGISLATION FOR QUITE SOME TIME. WHILE THE GENERAL TENOR OF THE BILL IS DEFINITELY ANTI-LABOR, AT LEAST ONE CLAUSE IS AIMED AT PREVENTING BUSINESS, FROM EMBARRASSING BHUTTO'S ADMINISTRATION. THIS CLAUSE PROHIBITS "THE CLOSURE OF ESTABLISHMENT", EXCEPT IN CASES OF UNAVOIDABLE

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CATASTROPHE, WITHOUT THE PRIOR PERMISSION OF A LABOR COURT. THE PROVISO SERVES DUE NOTICE ON INDUSTRIALISTS THAT THEY WILL NOT BE PERMITTED TO CLOSE DOWN THEIR ESTABLISHMENTS, SIMPLY FOR THE SAKE OF ECONOMY, WITHOUT OFFICIAL SANCTION. SUCH CLOSURES, IF PERMITTED AT THE DISCRETION OF FACTORY OWNERS, WOULD LEAD TO A RISE IN UNEMPLOYMENT; A HIGHLY VISIBLE PHENOMENA WHICH A "PEOPLE'S GOVERNMENT" WOULD BE HARD PRESSED TO JUSTIFY.
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Copy: SINGLE
Draft Date: 23 OCT 1974
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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